



County of Los Angeles

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DAVID E. JANSSEN
Chief Administrative Officer

May 15, 2003

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From: David E. Janssen
Chief Administrative Officer

STATE LEGISLATIVE UPDATE

Pursuit of County Position on Legislation

AB 1051 (Goldberg) proposes to amend Government Code Section 54999. In its existing form, Government Code Section 54999 provides that "capital facility fees" charged to public agencies (such as the County) by public utilities such as the Los Angeles Department of Water and Power (LADWP) must be "nondiscriminatory." This means that LADWP is only allowed to charge the County its pro-rata share of LADWP capital costs, based on the County's power usage.

AB 1051 effectively seeks to eliminate the "non-discriminatory" rate requirement of Section 54999. It would thus relieve LADWP of its current legal duty not to charge the County in excess of the County's pro-rata share of LADWP capital costs.

According to the County Counsel's office, the County has a lawsuit pending against LADWP which alleges that LADWP has overcharged the County for electricity by violating the non-discriminatory rate requirement of Government Code Section 54999. LADWP has acknowledged that AB 1051 was prompted in part by that lawsuit. While the bill, as currently drafted, does not specifically state whether it is intended to apply retroactively, LADWP has stated that it will argue that the amendments retroactively validate LADWP's past electricity charges. The amendment would also allow LADWP to continue setting electric rates in the same manner it has followed in the past.

County Counsel recommends that AB 1051 be opposed unless amended to explicitly provide that it has no retroactive effect, as well as to keep intact the existing "nondiscriminatory" requirement relating to capital facility fees, and we concur. Opposition to AB 1051 unless amended is consistent with the Board's direction to pursue a lawsuit against LADWP. **Therefore, our Sacramento advocates will oppose AB 1051, unless amended.**

AB 1051 is sponsored by the City of Los Angeles, the East Bay Municipal Utility District and the San Francisco Public Utilities Commission. It is supported by the Association of California Water Agencies, the California Association of Sanitation Agencies, the City and County of San Francisco, and the League of California Cities among others. It is opposed by the Association of California School Administrators, California State University, the University of California, the Los Angeles Unified School District and other education groups. AB 1051 passed the Assembly by a vote of 67-0 on May 8, 2003. It is currently in the Senate Rules Committee awaiting assignment.

SB 21 (Machado), as amended on April 24, 2003, would require various State agencies to establish guidelines for implementing Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, which was a \$3.44 billion bond act approved by the voters last November. Specifically, SB 21 would require that the guidelines provide for an open, transparent competitive grant process, with projects evaluated solely on the basis of merit and need. Public advisory committees are to be established to provide advice on the guidelines, solicitation process, selection criteria, and funding priorities. The bill also establishes more detailed criteria for each of the major sections of Proposition 50, as well as reporting requirements to ensure that grant recipients use Proposition 50 funds to meet the intent of the voters. The bill's most recent amendment requires that projects in economically disadvantaged and severely economically disadvantaged communities receive preference.

According to the Department of Public Works (DPW), this bill establishes a statewide competitive grant program that will allow the County to compete for its fair share of the funds for watershed management, water supply, and sewer maintenance projects. Of particular importance is the fact that the language defining "economically disadvantaged and severely economically disadvantaged communities" was developed by DPW and amended into the bill by the author. This language will greatly enhance the County's ability to obtain funding for projects in our most underserved areas. **DPW recommends that the County support SB 21, and we concur.** Support is consistent with many of the policies included in the "Environmental Protection and Open Space", "Watershed Management and Flood Control", and "Water Supply" sections of the State Legislative Agenda adopted by the Board on February 4, 2003. **Therefore, our Sacramento advocates will support SB 21.**

SB 21 was passed by the Senate Agriculture and Water Resources Committee on April 1, by a vote of 9 to 0. It was amended and passed by the Senate Environmental Quality Committee on May 12, 2003, by a vote of 5 to 0. It is scheduled for hearing by

the Senate Appropriations Committee on May 19, 2003. According to the Senate Committee on Environmental Quality's staff analysis, SB 21 is supported by the Southern California Water Dialogue, Southgate Recreation and Park district, Upper San Gabriel Valley Municipal Water District, the Long Beach Water Department, the Sonoma County Water Agency, the Solano County Water Agency, the California Parks and Recreation Society, and others. There is no opposition on file.

SB 24 (Figueroa), as amended on March 10, 2003, would simplify Medi-Cal and Healthy Families Program (HFP) enrollment procedures for pregnant women, newborn infants and other children by: 1) creating electronic enrollment for pregnant women and hospital newborns and extending presumptive eligibility to these and other children in the family, 2) eliminating follow-up applications for pregnant women and newborns applying for Medi-Cal and HFP through the Child Health and Disability Prevention Program (CHDP) Gateway Program, 3) providing accelerated enrollment for children whose families apply for Medi-Cal at county eligibility offices, and 4) requiring the State Department of Health Services to assess the feasibility of providing continuous eligibility to children under age 3 for Medi-Cal and HFP.

The Department of Health Services indicates that SB 24 would simplify and expand eligibility for Medi-Cal and HFP which would decrease the number of uninsured persons in the County. **Consistent with existing Board policy to support proposals to simplify and align Medi-Cal and Healthy Families Program eligibility rules and application processes to increase and expedite the enrollment of uninsured families, our Sacramento advocates will seek passage of SB 24.**

SB 24 is sponsored by Maternal and Child Health Access and supported by the Alliance of Catholic Health Care; American College of Obstetricians and Gynecologists, American Federation of Federal, State, County, and Municipal Employees; California Healthcare Association; Planned Parenthood, and Western Center on Law and Poverty. There is no registered opposition. SB 24 was placed on the Senate Appropriations Committee's Suspense File on April 28, 2003.

We will continue to keep you advised.

DEJ:GK
MAL:DRS:MS:ib

c: Executive Officer, Board of Supervisors
County Counsel
Local 660
All Department Heads
Legislative Strategist
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities

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City Managers Associations